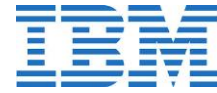


IBM's Corporate Service Corps: The Shift to a Globally Integrated Enterprise

By Katie Levey, Director of Media Relations, PYXERA Global



COMPANY DESCRIPTION

IBM is a globally integrated technology and consulting company headquartered in Armonk, New York. With operations in more than 170 countries, IBM attracts and retains some of the world's most talented people to help solve problems and provide an edge for businesses, governments and non-profits. Founded in 1911, IBM's year end 2013 revenue was \$99.8 billion, and employs approximately 430,000 globally.

THE OPPORTUNITY

Former IBM CEO, Sam Palmisano, declared that "the globally integrated enterprise can deliver enormous economic benefits to both developed and developing nations," in *Foreign Affairs Magazine*.¹ At that time, IBM was re-inventing its approach to corporate citizenship through a new program called the Corporate Service Corps (CSC). Launched in 2008, the CSC sends high achieving IBM employees to perform community-driven economic development projects in Africa, Asia, Eastern Europe and Latin America, working at the intersection of business, technology and society. The program:

- Addresses a variety of societal needs by working with non-governmental organizations, small and medium enterprises, cultural institutions, governments and more in underserved economies worldwide.
- Catalyzes socio-economic growth in these geographies.
- Introduces the company and future leaders to new, less developed markets.
- Cultivates global leadership competencies such as change mastery, team building, communication, cultural awareness, and decision making.

IBM identified several promising emerging economies important to the company's business growth. For example, the company recently doubled the number of employees sent into Africa to align with its strategic priorities to better service specific geographies on the continent.

THE STRATEGY

Strategic partners such as international development nonprofit, PYXERA Global, identify host recipients with a strong capacity to receive IBM pro bono support in these areas and an equally strong need for technical assistance. At the same time, IBM administers a competitive application process to assemble employee teams from geographies around the world. Each cross-border team participates in an intensive three-month virtual training that addresses topics such as scenario planning, cultural immersion, project briefings, and security.



¹ Samuel J. Palmisano, "The Globally Integrated Enterprise," *Foreign Affairs Magazine*, May 2006.
<http://www.foreignaffairs.com/articles/61713/samuel-j-palmisano/the-globally-integrated-enterprise>

These teams spend up to four weeks in an emerging or frontier economy working on assignment with a government agency, small or medium enterprise, economic institution, or a local organization.

Levels of shared value:

- **Reconceiving products and markets**
 - Through the Corporate Service Corps, IBM employees gain insights related to use of technology, project management, governance and market intelligence that are both brought back to the home countries of participants and also shared with the local IBM staff. In many instances, the perception of IBM has shifted from that of a technology provider to a higher value business services company as a result of the CSC.
- **Redefining productivity in the value chain**
 - Developing IBM's talent pipeline through this approach reinforces the company's future leadership potential and strengthens the business climate in growth markets for IBM.

RESULTS – VALUE FOR BUSINESS AND SOCIETY

- In a recent survey of CSC alumni, 90% reported that the CSC increased their leadership skills and 82% said it increased their desire to continue their career at IBM. In a survey of managers of CSC alumni, 89% said the participant's understanding of the developing world increased and 64% said the employee is now contributing in more valuable ways.²
- The program has provided at least \$65 million in pro-bono consulting services for host organizations over a five-year period.
- The cost to send fifteen people on a one-month assignment is minimal compared to the cost of an individual placed on a one-year expatriate program. To date, 2400 participants have served on 850 projects in over 35 countries, helping IBM deepen its relationships and understand market conditions in emerging markets worldwide.
- The program has positively impacted the lives of at least 140,000 people directly and hundreds of thousands more indirectly through projects in the areas of education and healthcare.

“The program has provided at least **\$65 million in pro-bono consulting** for host organizations over a five-year period. To date, **2,400 participants** have participated in 850 projects

LESSONS LEARNED, CHALLENGES AND OUTLOOK

- **Plan ahead and be flexible.** In emerging and frontier economies, operations are often more complicated than that of established markets. Because of this dynamism, advance planning is critical. At the same time, the ability for a corporation and its leadership to be flexible should the situation change is also important.
- **Leverage the expertise of social sector partners.** From a corporation's perspective, there are relatively few institutions that have infrastructure on the ground to identify the most pressing needs. Working with PYXERA Global provides insight into the business problems facing host clients as well as the historical context.
- **Commit to long-term sustainability.** Developing strong partnerships with organizations with a local presence ensures IBM's investment will have a lasting impact on the communities it serves. This is a result of the solutions developed for the local context, the skills transferred, and the momentum built among stakeholders as a result of being part of a focused effort within their community.

² IBM Survey of Managers and Past Program Participants